GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2763
ANSWERED ON:10.03.2003
PROFIT OF IA/AI
AMAR ROY PRADHAN;DAGGUBATI RAMANAIDU

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the profit/loss incurred by Indian Airlines and Air India during each of the last three years including the estimated profit/loss for the current year:

(b) the reason for losses;

(c) the steps taken to improve the position of IA and AI; and

(d) the profit/loss incurred by IA and AI in comparison to the Private Airlines during the said period?

Answer

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK)

(a) Details of profits/losses (in bracket) earned/suffered by Air India and Indian Airlines are as under:

Year	Air India	Indian Airlines (Rs. in crore)
1999-2000	(37.63)	51.42
2000-2001	(44.40)	(159.17)
2001-2002	15.44	(246.75)
2002-2003 (budgeted)	24.50	(98.90)

(b): The reasons for losses by Indian Airlines are mainly due to increase in Aviation Turbine Fuel(ATF), increase in insurance premium, increase in landing and navigational charges, levy of customs duty on import of aircraft on lease,enhanced security expenditure etc.

Air India after incurring losses since 1995-96 has started earning profit since 2001-2002.

(c): Both Air India and Indian Airlines have implemented austerity measures and steps to cut expenditure. The measures taken by Air India include abolition of vacant posts, lowering of retirement age, downsizing or closing of foreign stations, reduction in agency commission etc. Similarly, the measures taken by Indian Airlines include freeze on recruitment, reduction in overtime payment, fuel tankering, saving in material consumption, reduction in retirement age etc.

(d) No such comparison is avaliable with Air India and Indian Airlines.